VZCZCXRO2237 PP RUEHFK DE RUEHKO #1609 1020727 ZNR UUUUU ZZH P 120727Z APR 07 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC PRIORITY 2596 RUEKJCS/SECDEF WASHDC PRIORITY RUCPDOC/USDOC WASHDC PRIORITY RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY RUYNAAC/COMNAVFORJAPAN YOKOSUKA JA PRIORITY RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY RHHMHBA/COMPACFLT PEARL HARBOR HI//N541// PRIORITY RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA// PRIORITY RUHBANB/OKINAWA FLD OFC US FORCES JAPAN CP BUTLER JA PRIORITY RUALSFJ/COMUSJAPAN YOKOTA AB JA PRIORITY INFO RUEHFK/AMCONSUL FUKUOKA 0654 RUEHOK/AMCONSUL OSAKA KOBE 4182 RUEHBJ/AMEMBASSY BEIJING 6569 RUEHMO/AMEMBASSY MOSCOW 1614 RUEHUL/AMEMBASSY SEOUL 2642 RUCNDT/USMISSION USUN NEW YORK 3907 RHEHAAA/NSC WASHDC

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SUBJECT: MEDIA REACTION - SIX-PARTY TALKS - TOKYO

LEAD STORIES: Most Thursday morning papers gave top play to Prime Minister Abe's meeting Wednesday evening with visiting Chinese Premier Wen.

- 11. "Six-Party Talks: Time for DPRK to Implement 'Initial Steps' The liberal Mainichi editorialized (4/12): "On Tuesday, the US Treasury Department and Macau authorities announced that they would release all DPRK-linked funds frozen at Banco Delta Asia (BDA). Attention is now shifting to whether North Korea will completely implement the 'initial steps' toward nuclear disablement stipulated in the February six-party agreement.... These steps include the suspension and sealing of the Yongbyon nuclear complex, as well as the acceptance of IAEA inspectors. Beyond this lies the major goal of getting Pyongyang to abandon all its nuclear weapons and denuclearizing the Korean Peninsula.... Although it is understandable that the US had to compromise with the DPRK to break the deadlock, it is important to note that the US compromise raises many concerns. For example, the US agreement may be incompatible with the rules it has proposed for global finance, and there is no guarantee that North Korea will not keep illicit funds at other financial institutions in the future.... It will not be until after Pyongyang completely implements the 'initial steps' that we will be able to determine whether the US decision was the correct one.'
- 12. "Pressure Needed for Dialogue" An editorial in the conservative Sankei commented (4/12): "Following the release of all of DPRK-linked funds frozen at BDA, the money will likely to returned directly to North Korea without being handled by the Bank of China. Many have noted that Washington completely capitulated to Pyongyang because of its priority on achieving progress in the six-

party talks. Japan, however, extended its sanctions on North Korea by another six months on the grounds that the DPRK government has not acted in good faith on the abduction issue. The USG and GOJ had previously agreed to use a policy of 'dialogue and pressure' in dealing with North Korea. We cannot help but entertain misgivings about the recent conciliatory US stance. Providing 'carrots' in the absence of any 'sticks' will have no effect at all, only aggravating the situation. Pressure is needed to bring Pyongyang to the negotiating table."

DONOVAN